GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:702
ANSWERED ON:16.08.2007
INCREASE IN PRICES OF PETROLEUM PRODUCTS
Satpathy Shri Tathagata

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the oil marketing companies have again sought another revision of the prices of petroleum products;

(b) if so, the details along with the reasons therefor;

(c) whether the Government is aware of the heavy burden on the part of the consumers due to earlier revision of the prices of petroleum products; and

(d) if so, the steps taken by the Government to protect the interests of the consumers and for putting a moratorium on the hike in the prices of petroleum products?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS(SHRI DINSHA PATEL)

(a)&(b): The Public Sector Oil Marketing Companies (OMCs) have sought another revision in the prices of sensitive petroleum products namely petrol, diesel, PDS Kerosene and domestic LPG due to increase in international oil prices of these products. Based on the increase in international oil prices, the OMCs are suffering under recoveries on the marketing of these products. The estimated gross under recoveries of oil marketing companies on sale of sensitive petroleum products for the 1st quarter of 2007-08 are as under:

(Rs./Crore)	
Under-Recovery	Apr-Jun`07 (Provisional)
Petrol	1,553
Diesel	4,633
PDS Kerosene	4,028
Domestic LPG	2,698
Total	12,912

Gross under-recoveries without considering refinery discount, oil bonds and upstream assistance.

(c)&(d): Since passing on the entire impact of the steep increase in the oil prices to the consumers would have resulted in steep increase in the domestic prices, the Government has been taking all possible measures to ensure that there is no hardship to the common man on account of price rise. The Government has adopted the principle of equitable burden sharing amongst three stakeholders, namely, the consumers, the PSU oil companies and the Government to protect the interest of the common man and the vulnerable sections of society. The Government is closely monitoring the international oil prices and will continue to protect the interests of consumers.